

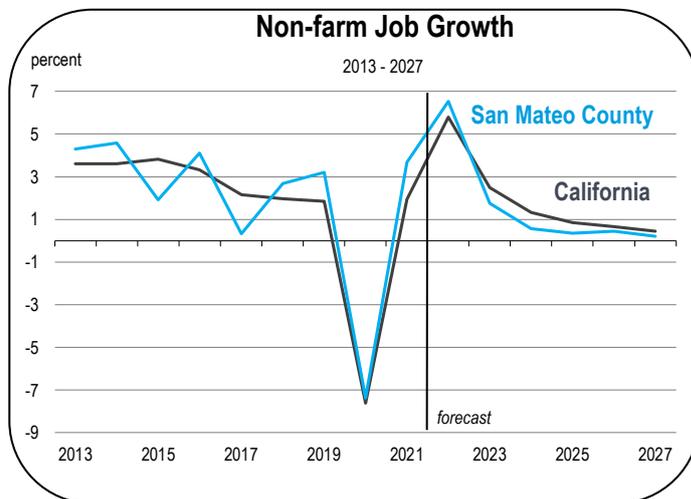
San Mateo County Economic Forecast

Forecast Summary

- The 2022 labor market is on a path to recover all jobs lost during the 2020 pandemic.
- Approximately 25,000 jobs will be created in 2022.
- Employment gains will be largest in professional business services, which will recover 8,300 jobs, following by the information sector and leisure services.
- The unemployment rate averaged 4.6 percent in 2021. It will average 2.0 percent in 2022.
- San Mateo County population has been in decline since 2018 and is expected to consolidate further over the forecast period.
- Fewer homes will be built over the forecast period than were built during the previous five years.
- The median selling price for all housing surged in 2021, rising by 9 percent. The median selling price for single family detached housing in 2022 is \$2.1 million, an increase of 5 percent year over year.

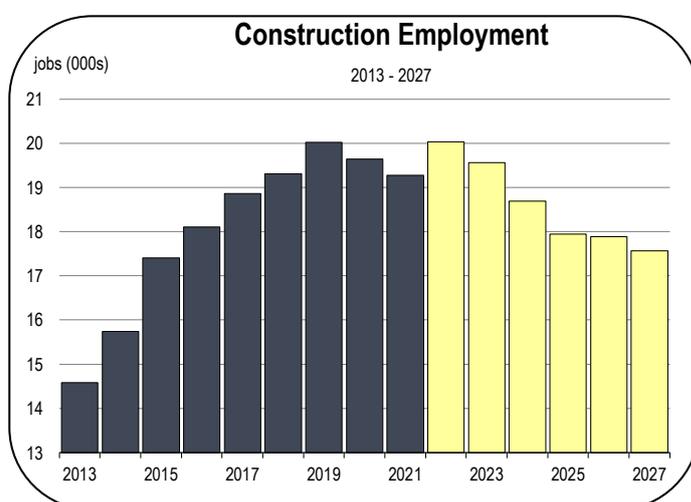
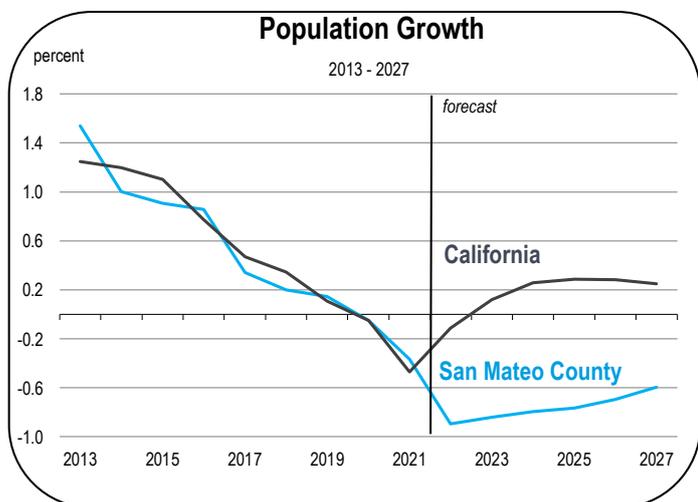
Job Growth

- Total employment in San Mateo County will expand by 6.6 percent in 2022 on an annual average basis.
- Between 2022 and 2027, job growth in San Mateo County will average 1 percent per year.

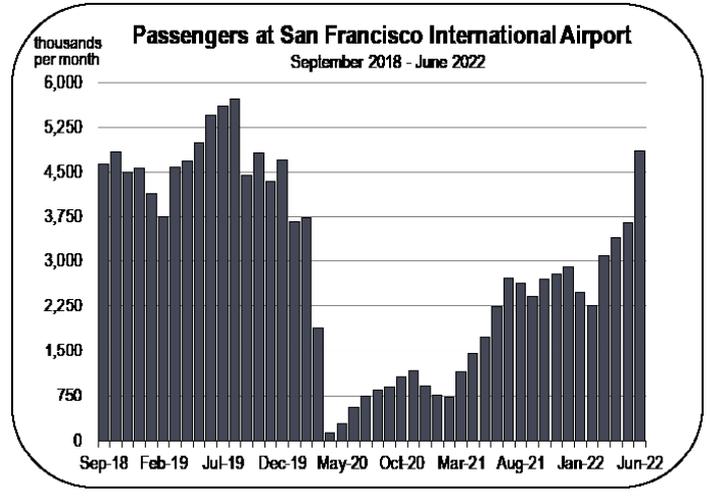
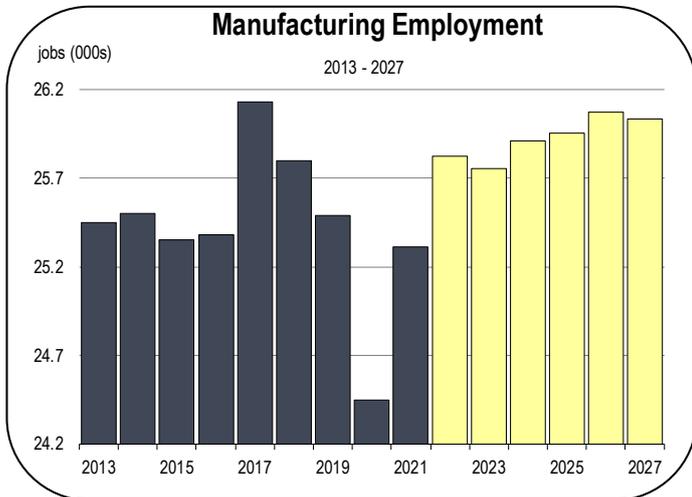


Construction Employment

- The construction sector contracted by another 360 jobs in 2021, a decline of 1.8 percent. A rebound is expected in 2022.
- The expectation for construction is for a return of employment to pre-pandemic levels.
- The housing production and non-residential development expected over the next several years will not require the expansion of an already historically large construction workforce.
- The construction workforce is fully employed in 2022; growth after 2022 will likely be minimal. The forecast for 2024 to 2027 actually indicates a reduction in the workforce in tandem with declining population.



San Mateo County Economic Forecast

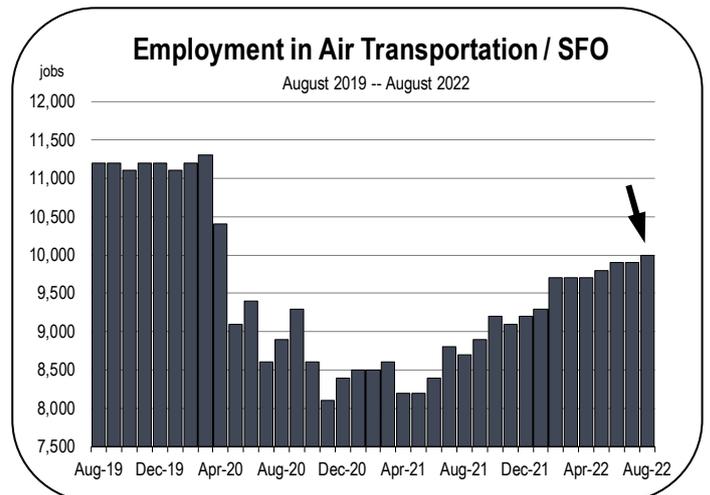
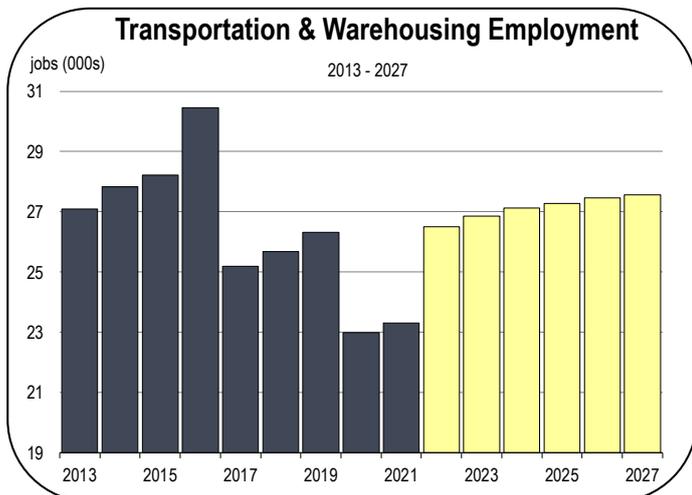


Manufacturing Employment

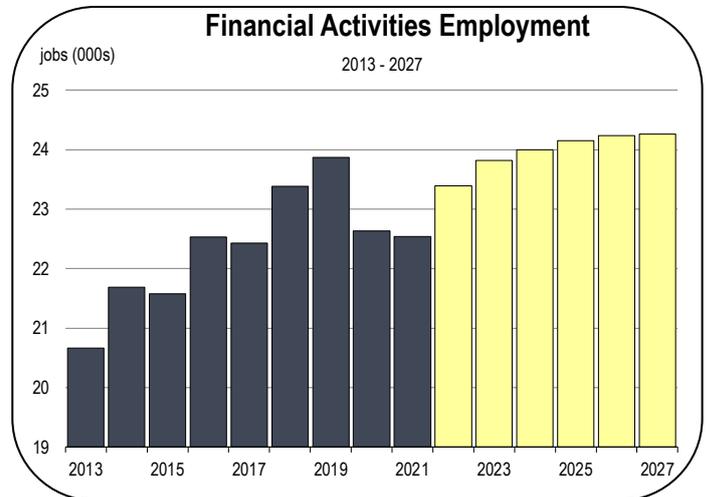
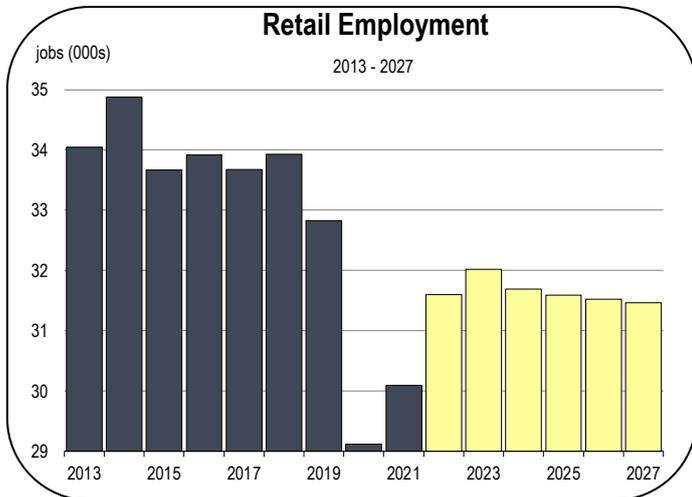
- In San Mateo County, the manufacturing industry is dominated by two sectors: biotech manufacturing and computer/semiconductor manufacturing. Genentech accounts for about 40 percent of all manufacturing jobs in the county.
- Manufacturing employment increased by 860 jobs in 2021 and will add another 800 jobs in 2022.
- Manufacturing is forecast to remain a large and stable labor market industry in San Mateo County due largely to the growth of the computer and biotech sectors. However, they are both in the process of relocating jobs to lower cost regions including Florida and North Carolina, and even overseas. Consequently, minimal growth is expected over the forecast.

Transportation and Warehousing Employment

- More than half of all transportation jobs in San Mateo County are located at San Francisco International Airport, the 2nd busiest airport in California to LAX, and 7th busiest airport in the U.S.
- The recovery of jobs in the transportation and warehousing sector has accelerated in 2022, especially as international visitors pour into SFO, pushing total passenger traffic towards pre-pandemic levels.
- Employment in the transportation and warehousing industry increased by 330 jobs in 2021 and is on pace to add another 1,500 jobs in 2022.
- Because of growth at SFO and within the region's industrial sector, the forecast calls for positive but modest growth in employment for transportation/warehousing over the next 5 years.



San Mateo County Economic Forecast



Retail Trade Employment

- The retail sector added 970 jobs in 2021 and is expected to add another 1,100 in 2022.
- Gains were largest at car dealers, clothing stores, and big box department stores.
- The sharp retail employment rebound in 2022 is due to a full year of open storefronts and higher customer capacities. However, automation and the transition to online shopping has and will lead to further job consolidation at local establishments between 2023 and 2027.

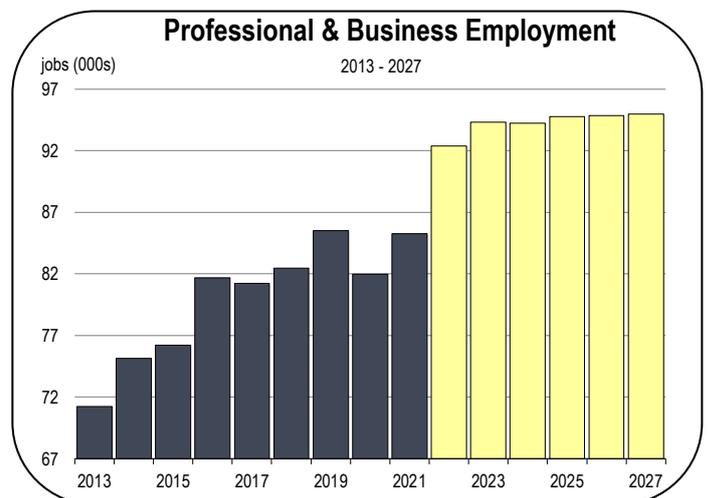
Financial Activities Employment

- Financial activities in San Mateo County are principally banking, car rentals, and real estate sales, leasing, title, and mortgage.
- The rebound of over 700 workers in 2022 is due to the full opening and operation of rental car agencies serving SFO.
- Financial activity employment recovers relatively soon but the outlook for the industry does not include meaningful growth in jobs.

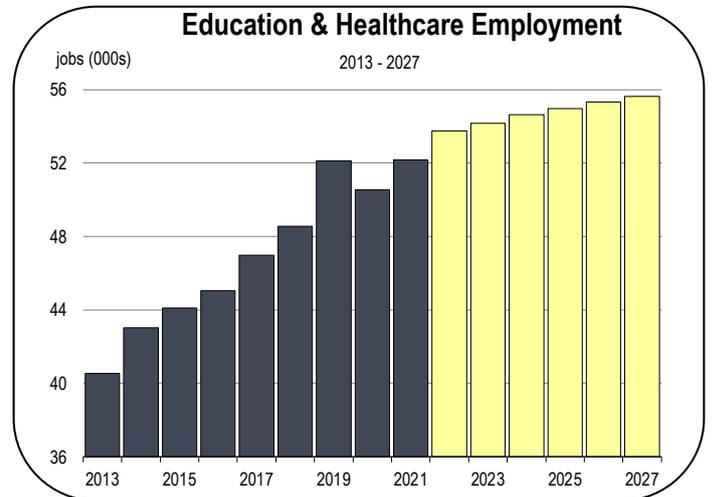
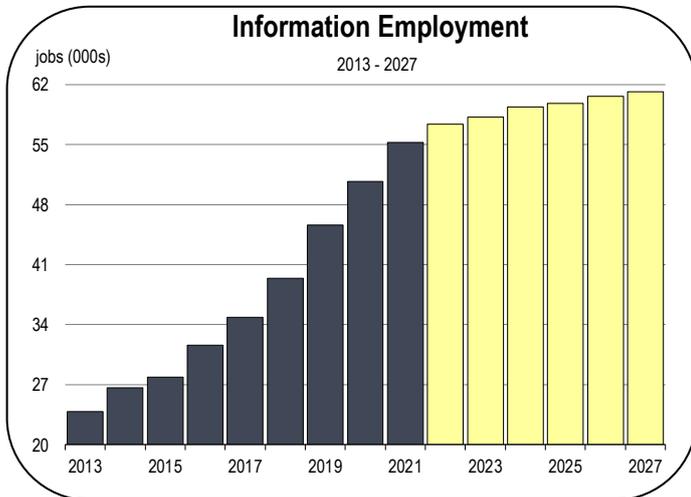
Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, but the largest is scientific and technical consulting which is currently a principal STEM sector of growth in California. Employment is now at an all time record high.

- Employment across all subsectors increased by 4 percent; an addition of 3,300 jobs in 2021. The return of workers was substantial at accounting and marketing agencies.
- Another 8,000 jobs are expected to be added in 2022, far surpassing pre-pandemic levels.
- Business consulting, IT consulting, and scientific research labs are expanding rapidly. Despite announced tech layoffs in California during 2022, most workers are quickly rehired at other companies, leaving the unemployment rate unaffected and the professional services sector at fully employed levels.
- Longer term, professional, technical, and IT consulting will continue to create more jobs. Scientific research labs will also expand, although some of these jobs are being relocated to lower cost regions of the country.



San Mateo County Economic Forecast



Information Employment

- In San Mateo County, the information sector is dominated by software publishers like Oracle, as well as data and internet service companies like YouTube.
- The software and internet/data subsectors are a principal engine of growth for the San Mateo County economy. Expansion has been rapid through 2022. Job creation over the last five years has accounted for 77 percent of all job creation in the county.
- Due to cost-of-living considerations, some companies are relocating many jobs in this sector elsewhere, or enabling more remote work for workers. Consequently, growth is likely to be modest over the forecast.

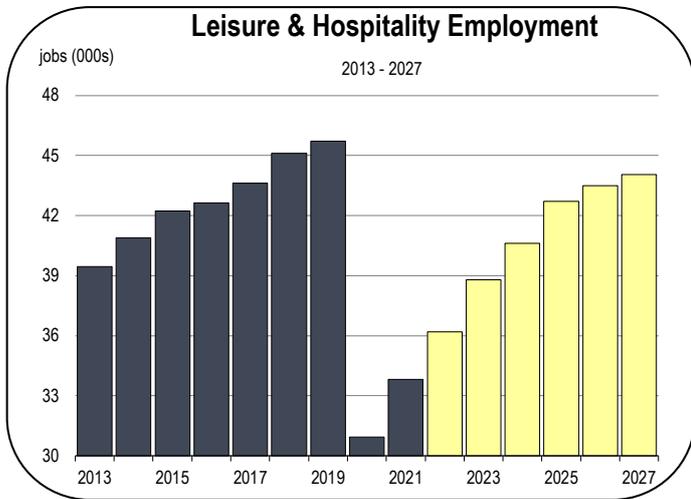
Private Education and Healthcare Employment

- Within the composite private healthcare and education industry, healthcare accounts for 43 percent of all employment and social assistance contributes 45 percent of all jobs. The industry has entirely recovered from the pandemic recession of 2020.
- Employment at doctor and dentist offices increased modestly in 2021 but larger gains are occurring in 2022.
- The pace of job formation in 2022 will generate 1,200 new jobs. Open positions that were not filled in 2022 will drive demand further in 2023. The forecast calls for another 700 new jobs in 2023.



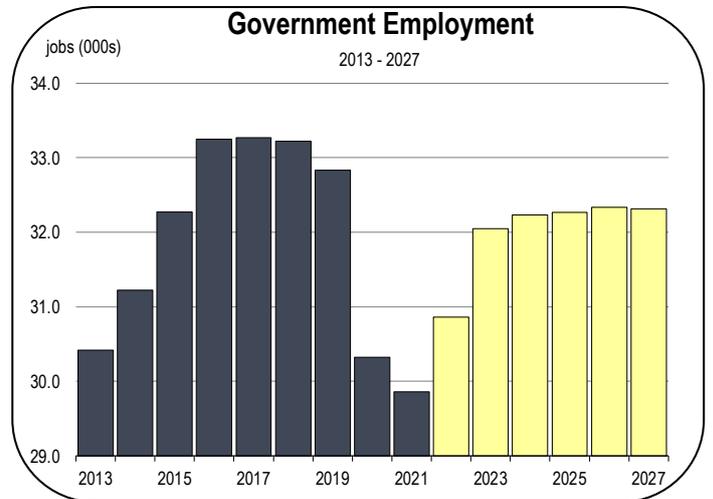
SurveyMonkey, which is in the data services industry, employs more than 1,000 workers at its San Mateo Headquarters.

San Mateo County Economic Forecast



Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by restricted business conditions during the coronavirus pandemic more than any other type of company.
- In 2021, 2,900 jobs were added in the leisure and hospitality sector, which accounted for an employment increase of 9.3 percent.
- Hotels, motels, gyms, and fitness centers all significantly increased employee headcounts during 2021. Restaurants and other food services along with hotels generated most of the job gains in 2022.
- Leisure and hospitality employment has rebounded sharply in 2022, but the sector has not yet fully recovered from the fallout of the 2020 recession.



- Visitor and business travel are critical to the leisure and hospitality industry. Passenger traffic through SFO has increased, especially during 2022, and visitor demand will drive the expansion in the leisure and hospitality sector in 2023 and 2024, despite the impending slow down that is forecast for the state and nation.
- The leisure and hospitality sector is forecast to add 2,500 jobs in 2022 and another 1,800 jobs in 2023.

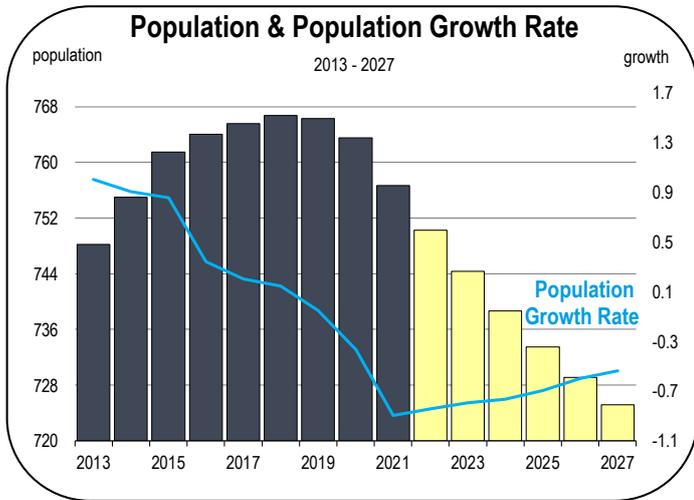
Government Employment

- State and local government agencies lost 460 jobs during 2021.
- A rebound of 1,000 jobs is expected in 2022, and another 1,200 jobs are expected to be added in 2023.
- Employment growth will remain slow over the forecast period, limited by a slower rate of employment growth within the public schools and within the city and special districts.



The airport is the 7th busiest in the U.S. Visitors coming through SFO into San Mateo County largely support the region's leisure and hospitality sector. According to Booking.com, there are 256 hotels in San Mateo County.

San Mateo County Economic Forecast

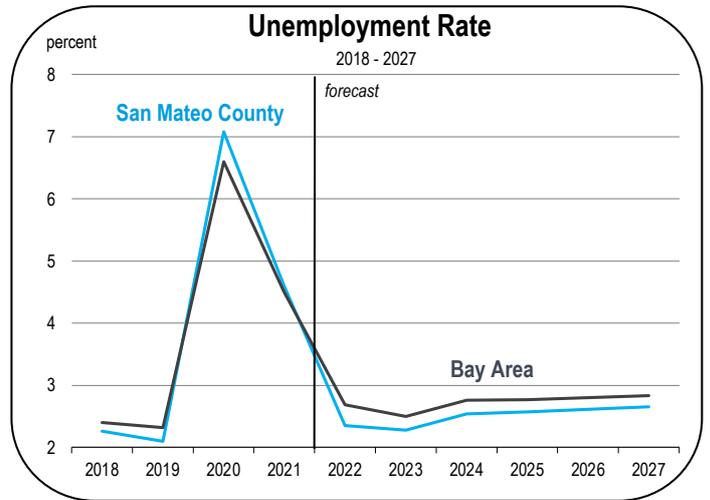
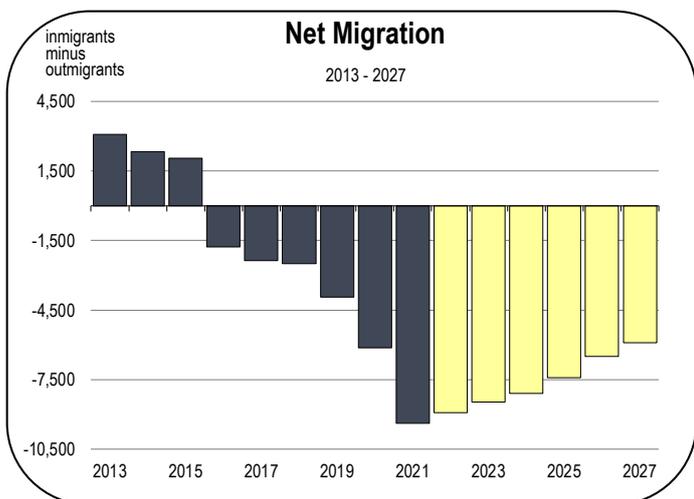


Population Growth

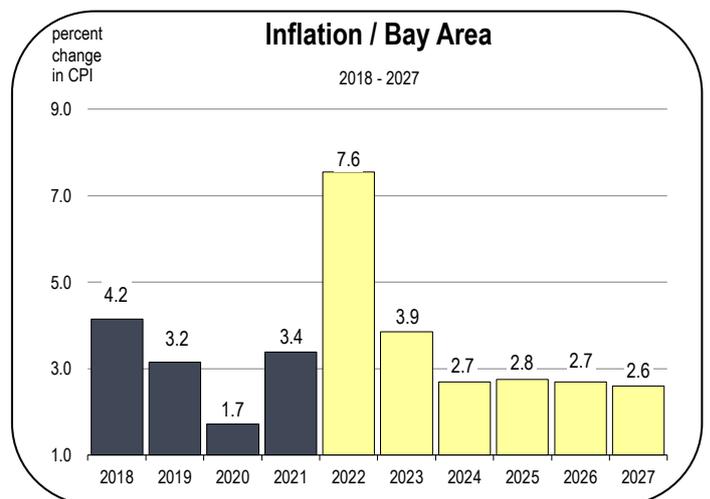
- The San Mateo County population is expected to steadily decline over the 2022 to 2027 forecast period.
- Approximately 9,000 net migrants left the county in 2021 and an average of 5,500 per year are forecast to out-migrate from 2022 and 2027.
- Because San Mateo County has arguably the highest home prices in California, residents have demonstrated a history of relocating to alternative areas with more affordable conditions.

Unemployment and Inflation Rates

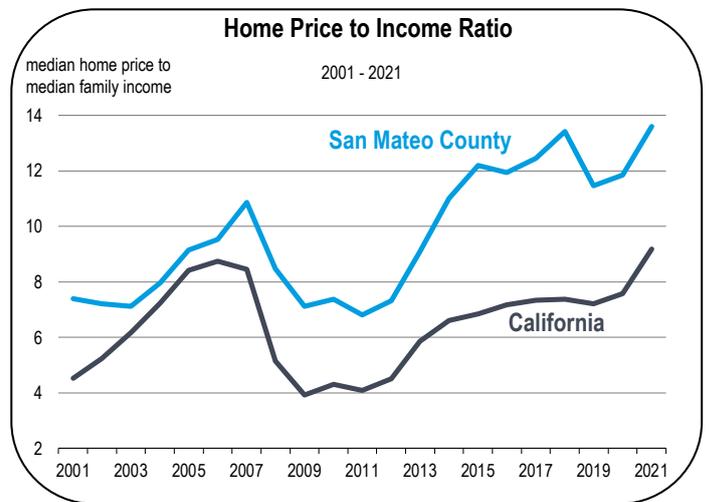
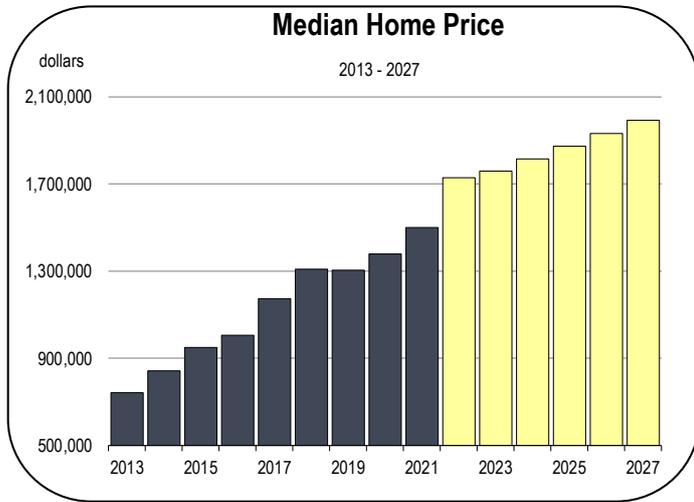
- The unemployment rate in San Mateo County averaged 4.6 percent in 2021, which was lower than the composite rate for the Bay Area.
- An unemployment rate below 4.0 percent signifies a fully employed workforce in San Mateo County.
- The unemployment rate is expected to average 2.3 percent in 2022 and 2.2 percent in 2023.



- Inflation soared in 2021 and is expected to remain elevated in 2022 and 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher-than-normal inflation. The most prominent will be:
 - Spending by consumers and the federal government that was especially prolific in 2021 and 2022
 - Global supply chain interruptions (from the pandemic) that have raised the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that have led to surging wage increases
- Combined, these factors have pushed 2022 inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022 and 2023.
- However, inflation will gradually decelerate in 2023 as supply chains are restored, and the impending economic slowdown moderates the demand for labor and wage increases. Average inflation rates eventually decline to 3 percent again by 2024.



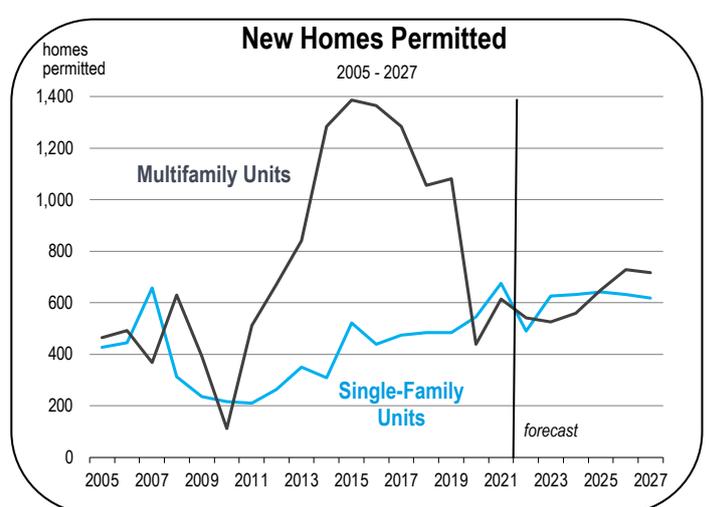
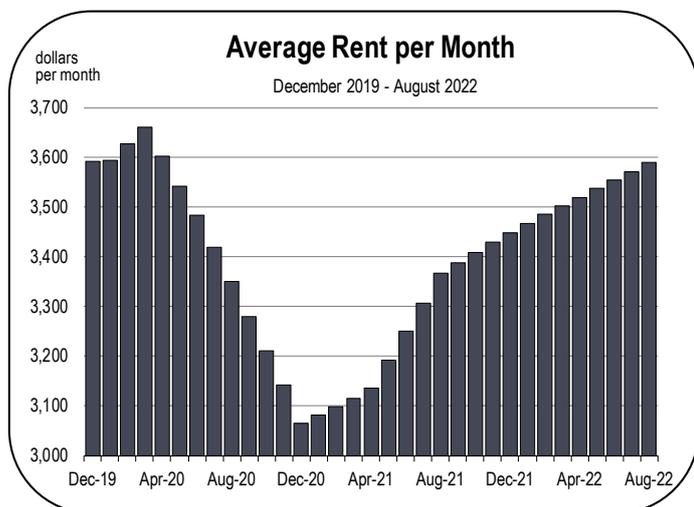
San Mateo County Economic Forecast



Home Prices and New Housing Production

- In 2021 the median home purchase price for all housing—both detached and attached—in San Mateo County was \$1.5 million, an 8.7 percent increase from the previous year. For the first 11 months of 2022, the median price for a single family detached home had risen to \$2,057,000. Selling prices since April of 2022 have been in a modest decline.
- Apartment rents increased significantly over the course of 2021 and the first half of 2022.
- The housing affordability crisis is more acute in San Mateo than almost anywhere in the nation.
- The typical household would need to spend more than 50 percent of its pre-tax income to afford the median-priced home.
- Accumulating even a 10% down payment would mean saving \$150,000 to \$200,000, which is out of reach for almost anyone

- outside of the technology, asset management, corporate law, corporate management, or biotech industries.
- Interest rates are expected to increase in 2022 and 2023, exacerbating the affordability issues.
- From 2016 to 2021, an average of 1,500 new homes were started per year. 65 percent were apartments and condos.
- Housing production is forecast to average 1,100 homes per year from 2022 to 2027, consisting principally of rental apartments.
- San Mateo County has been assigned over 45,000 units by The Association of Bay Area Governments (ABAG) to fulfill RHNA requirements for the 2023-2031 period.
- San Mateo City has been assigned 7,015 units, while Daly and Redwood City follow, each required to produce 4,838 and 4,588 units.

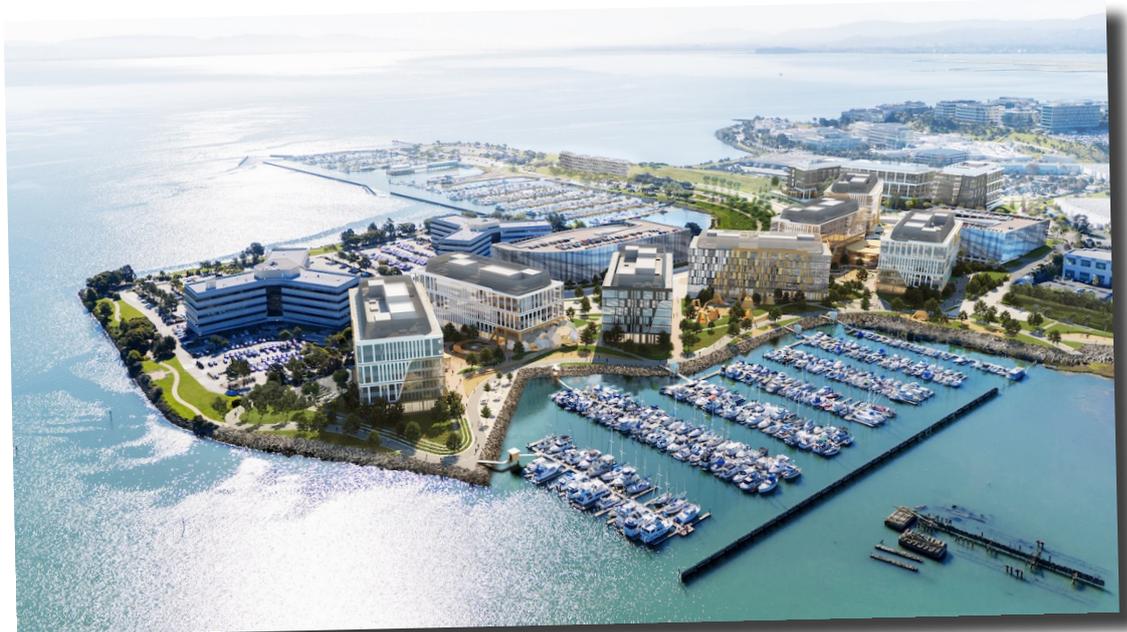


San Mateo County Economic Forecast

- Kilroy Oyster Point is a large non-residential development up for lease and under construction in South San Francisco. The development includes 50 acres, 1 Waterfront Campus, 3 million square feet, and 12 buildings.
- The project consists of 4 phases with phase 1 completed and 100% leased. Phase 2 is currently up for lease. Phases 3 and 4 are scheduled to be completed in 2028.
- A massive project was submitted as a formal application to Redwood City in mid-2022 to develop a 3.3 million square foot life science campus. The project involves redeveloping the current Redwood LIFE office park. The owner/developer is Longfellow Real Estate Partners. The new project is called "Redwood LIFE: Evolve".
- The proposed area for the Redwood LIFE project is 84 acres. The development would include a 20-building office park and a life science campus with 15 buildings. A 103-room hotel is also planned.
- The project, if approved, predicts the first phase of construction will start in 2025.



Current Redwood LIFE Office Park



Kilroy Oyster Point

San Mateo County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	761,484	260.4	2,040	1,907	732	\$79	\$10	\$16	\$28	\$123,867	3.5	\$159	2.6
2016	764,070	261.4	-1,781	1,804	747	\$83	\$10	\$16	\$34	\$126,189	3.1	\$157	3.0
2017	765,601	262.4	-2,361	1,759	761	\$91	\$11	\$17	\$39	\$133,938	2.7	\$148	3.2
2018	766,711	263.0	-2,495	1,540	770	\$99	\$11	\$18	\$37	\$139,448	2.3	\$151	4.2
2019	766,312	264.1	-3,947	1,566	781	\$103	\$12	\$18	\$40	\$141,066	2.1	\$137	3.2
2020	763,497	265.7	-6,130	984	705	\$108	\$10	\$16	\$41	\$145,636	7.1	\$96	1.7
2021	756,655	266.7	-9,391	1,290	692	\$114	\$12	\$19	\$41	\$151,207	4.6	\$93	3.4
2022	750,286	268.2	-8,935	1,032	756	\$126	\$15	\$23	\$42	\$155,530	2.3	\$87	7.6
2023	744,328	269.1	-8,456	1,093	757	\$131	\$15	\$23	\$42	\$157,504	2.3	\$82	3.9
2024	738,627	270.0	-8,098	1,100	754	\$137	\$15	\$24	\$42	\$161,762	2.5	\$76	2.7
2025	733,477	271.0	-7,414	1,078	748	\$142	\$16	\$24	\$43	\$164,827	2.6	\$71	2.8
2026	729,097	271.9	-6,510	1,091	747	\$148	\$16	\$24	\$44	\$167,660	2.6	\$66	2.7
2027	725,174	272.9	-5,901	1,103	746	\$154	\$16	\$25	\$44	\$171,228	2.7	\$62	2.6
2028	721,717	273.8	-5,321	1,120	748	\$160	\$16	\$25	\$45	\$174,317	2.7	\$57	2.6
2029	718,746	274.8	-4,745	1,111	749	\$167	\$17	\$26	\$46	\$177,057	2.7	\$53	2.7
2030	716,295	275.8	-4,152	1,140	751	\$173	\$17	\$27	\$47	\$179,912	2.7	\$49	2.6
2031	714,289	276.8	-3,586	1,153	754	\$180	\$18	\$28	\$47	\$182,574	2.7	\$45	2.5
2032	712,668	277.8	-3,097	1,166	756	\$186	\$18	\$28	\$48	\$184,200	2.7	\$41	2.7
2033	711,284	278.8	-2,781	1,109	758	\$193	\$19	\$29	\$48	\$187,340	2.7	\$38	2.3
2034	710,054	279.8	-2,540	1,049	759	\$200	\$19	\$30	\$49	\$190,000	2.7	\$34	2.5
2035	708,975	280.7	-2,334	1,030	760	\$208	\$20	\$31	\$50	\$192,649	2.7	\$31	2.6
2036	708,156	281.6	-2,025	1,056	761	\$216	\$21	\$32	\$50	\$194,079	2.7	\$28	3.0
2037	707,624	282.5	-1,689	1,062	763	\$224	\$21	\$33	\$51	\$195,352	2.7	\$25	3.1
2038	707,156	283.4	-1,537	1,060	764	\$233	\$22	\$34	\$51	\$197,334	2.7	\$23	2.9
2039	706,678	284.3	-1,493	1,056	765	\$241	\$23	\$35	\$52	\$198,800	2.7	\$20	3.1
2040	706,114	285.3	-1,512	1,040	766	\$250	\$23	\$36	\$52	\$200,338	2.7	\$18	3.0
2041	705,426	286.2	-1,543	1,025	767	\$260	\$24	\$37	\$53	\$202,874	2.7	\$16	2.6
2042	704,609	287.1	-1,600	998	767	\$270	\$25	\$38	\$54	\$205,484	2.7	\$14	2.5
2043	703,687	287.9	-1,654	987	768	\$280	\$25	\$39	\$55	\$208,200	2.7	\$13	2.4
2044	702,636	288.8	-1,716	974	768	\$290	\$26	\$40	\$55	\$211,267	2.7	\$11	2.3
2045	701,416	289.6	-1,785	955	767	\$300	\$27	\$41	\$56	\$213,877	2.7	\$10	2.3
2046	700,049	290.5	-1,857	937	767	\$309	\$27	\$42	\$57	\$215,988	2.7	\$9	2.4
2047	698,528	291.3	-1,924	908	766	\$319	\$28	\$43	\$57	\$217,340	2.7	\$7	2.6
2048	696,832	292.1	-1,992	898	766	\$328	\$29	\$45	\$57	\$218,480	2.7	\$6	2.7
2049	694,925	292.8	-2,062	881	764	\$339	\$30	\$46	\$58	\$220,525	2.7	\$5	2.4
2050	692,804	293.6	-2,135	855	763	\$349	\$30	\$47	\$58	\$222,339	2.7	\$5	2.5

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	377.0	1.8	17.4	25.4	28.2	45.9	21.6	76.2	27.9	44.1	42.2	32.3
2016	392.4	1.8	18.1	25.4	30.5	46.0	22.5	81.7	31.6	45.0	42.6	33.3
2017	393.6	1.7	18.9	26.1	25.2	45.6	22.4	81.2	34.8	47.0	43.6	33.3
2018	403.9	1.4	19.3	25.8	25.7	45.8	23.4	82.5	39.4	45.8	45.1	33.2
2019	416.7	1.4	20.0	25.5	26.3	44.3	23.9	85.5	45.6	52.1	45.7	32.8
2020	386.1	1.4	19.6	24.5	23.0	39.8	22.6	82.0	50.7	50.5	30.9	30.3
2021	400.3	1.5	19.3	25.3	23.3	40.9	22.5	85.3	55.2	52.2	33.8	29.9
2022	422.4	1.4	20.0	24.6	26.5	42.2	23.4	93.3	57.4	53.4	36.2	30.9
2023	429.8	1.4	19.6	24.6	26.9	43.2	23.8	94.1	58.2	54.1	38.8	32.0
2024	433.7	1.4	18.7	24.7	27.1	43.2	24.0	94.5	59.4	54.5	40.6	32.2
2025	436.7	1.4	17.9	24.8	27.3	43.3	24.2	94.8	59.8	55.0	42.7	32.3
2026	439.2	1.4	17.9	24.9	27.5	43.2	24.2	94.9	60.6	55.3	43.5	32.3
2027	440.6	1.4	17.6	24.8	27.6	43.2	24.3	95.0	61.2	55.6	44.0	32.3
2028	441.6	1.3	17.6	24.8	27.6	43.1	24.3	95.2	61.4	56.0	44.2	32.3
2029	442.5	1.3	17.6	24.8	27.7	43.0	24.4	95.4	61.6	56.1	44.4	32.4
2030	443.5	1.3	17.7	24.8	27.8	42.9	24.4	95.4	61.9	56.5	44.6	32.4
2031	444.2	1.3	17.7	24.7	27.8	42.7	24.5	95.4	62.0	56.8	44.8	32.4
2032	445.1	1.3	17.8	24.7	27.9	42.6	24.6	95.5	62.2	57.1	45.0	32.4
2033	445.8	1.3	17.6	24.6	28.0	42.5	24.6	95.5	62.4	57.4	45.2	32.5
2034	446.4	1.3	17.5	24.5	28.0	42.4	24.7	95.6	62.6	57.7	45.4	32.5
2035	447.1	1.3	17.5	24.4	28.1	42.3	24.7	95.7	62.7	58.0	45.6	32.5
2036	448.2	1.3	17.6	24.4	28.2	42.1	24.7	96.0	62.8	58.2	45.7	32.5
2037	449.2	1.3	17.6	24.3	28.2	42.1	24.8	96.2	63.0	58.5	45.9	32.5
2038	450.2	1.3	17.7	24.3	28.3	42.0	24.8	96.5	63.1	58.8	46.1	32.6
2039	451.0	1.3	17.7	24.2	28.3	42.0	24.8	96.7	63.2	59.0	46.3	32.6
2040	451.8	1.3	17.6	24.1	28.4	41.9	24.8	97.0	63.3	59.3	46.5	32.6
2041	452.6	1.3	17.6	24.1	28.4	41.9	24.8	97.2	63.4	59.5	46.6	32.6
2042	453.2	1.3	17.5	24.0	28.5	41.8	24.8	97.4	63.5	59.8	46.8	32.6
2043	453.9	1.3	17.5	24.0	28.5	41.7	24.7	97.7	63.6	60.0	47.0	32.7
2044	454.6	1.3	17.5	23.9	28.5	41.6	24.7	97.9	63.6	60.3	47.1	32.7
2045	455.2	1.3	17.5	23.9	28.6	41.5	24.7	98.1	63.7	60.5	47.3	32.7
2046	455.8	1.3	17.4	23.8	28.6	41.4	24.7	98.3	63.8	60.7	47.5	32.7
2047	456.3	1.3	17.3	23.8	28.6	41.4	24.6	98.5	63.8	60.9	47.6	32.7
2048	456.8	1.3	17.3	23.8	28.6	41.3	24.6	98.7	63.9	61.1	47.8	32.8
2049	457.3	1.3	17.3	23.7	28.7	41.2	24.5	98.9	64.0	61.4	48.0	32.8
2050	457.7	1.3	17.2	23.6	28.7	41.1	24.5	99.0	64.0	61.6	48.1	32.8

San Mateo County Economic Forecast

Socioeconomic Indicators

